M/s ARMARIS, France, M/s MBDA, France, and the Defence Public Sector Shipyard, Mazagon Docks Limited, Mumbai.

In 1997, the Government approved construction of two submarines at M/s MDL, Mumbai. Though the requests for proposals were sent to four firms, viz. M/s Thomson CSF, France, VSEL (UK), M/s Kockums (Sweden) and RVZ, Russia, only M/s Thomson CSF, France responded. M/s HDW, Germany was not considered as CBI was investigating certain allegations against the firm. Price negotiations were held with M/s Thomson CSF, France. Thereafter, in April 2001, the Government decided to conduct negotiations only for the indigenous construction of six Scorpene Submarines under Transfer of Technology. Negotiations were held with the vendors and the same were completed in 2002 and the Ministry of Finance approved the Project in December 2002 and May 2003.

The project was re-examined and negotiations were held with the Vendors in 2005. This resulted in a reduction of Rs. 313 crores in the contracts with two French firms from the negotiated position in 2002, besides achieving substantial long term concessions. To ensure transparency, Integrity Pacts were signed by the Ministry of Defence for the first time. The Integrity Pacts signed with two vendors has stringent provisions against the use of unfair means and the employment of any middlemen in the project.

The French Vendor that is transferring technology for the construction of the Submarines and collaborating in the project has denied appointing any agent and all allegations regarding the involvement of middlemen in the project.

Review of recommendations of Sarkaria Commission

1690. SHRI N.R. GOVINDARAJAR:
SHRI C. RAMACHANDRAIAH:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government propose to review the recommendations of Sarkaria Commission;

(b) if so, the details thereof;

(c) whether Government have received number of suggestions from various State Governments on the Sarkaria Commission Report-1983; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MANIKRAO GAVIT): (a) to (d) The Government of India had in June, 1983 constituted a Commission under the chairmanship of Justice R.S. Sarkaria to examine and review the working of the arrangements between the Union and States in regard to powers, functions and responsibilities in all spheres and recommend such changes or other measures as may be appropriate. In its report submitted in 1988, the Commission made 247 recommendations. The Inter-State Council, which includes all the Chief Ministers and Administrators of States and Union Territories respectively, has considered and taken a final view on all the recommendations through consensus. Government has accepted and implemented 179 recommendations which were accepted by the Inter-State Council. 65 recommendations were either not accepted by the Inter-State Council or the Union Government.

Talks on Kashmir issue

1691. SHRI E.M. SUDARSANA NATCHIAPPAN: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether any breakthrough has been managed to be achieved by Government in their talks with the organizations in the Jammu and Kashmir towards reaching a solution on the Kashmir issue;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI SHRIPRAKASH JAISWAL): (a) to (c) Prime Minister, Dr. Manmohan Singh met a delegation of All Party Hurriyat Conference (APHC) led by Mirwaiz Umar Farooq on September 5,2005. Thereafter he met a delegation led by People's Conference Chairman Shri Sajjad Lone